DIRECT INVESTIGATION

REPORT ON MEDICAL FEE WAIVER SYSTEM

March 2006

Office of The Ombudsman

Hong Kong

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EXECUTIVE SUMMARY

Direct Investigation: Medical Fee Waiver System

Background

It is Government policy that no one should be denied medical care because of lack of means. To assist low-income and other vulnerable groups, Government has long had a waiver system administered by the Hospital Authority ("HA") and the Social Welfare Department ("SWD").

2 A complaint alleging abuse of the fee waiver system prompted The Ombudsman to make preliminary inquiries with HA and SWD. Over the years, the amount of fees waived has been substantial but there was no information or statistics on applications rejected. Meanwhile, both HA and SWD claimed not to have detected any case of abuse.

3 As public resources are finite, the community expects the authorities to ensure public resources are used for those genuinely in need and to guard against abuse. The Ombudsman declared a direct investigation under section 7(1)(a)(ii) of The Ombudsman Ordinance, Cap. 397 on 27 October 2005, to examine:

(a) the role of HA and SWD in administering the medical fee waiver system;

(b) the existing mechanism for detecting, deterring and

preventing abuse; and

(c) the adequacy and effectiveness of the existing mechanism.

Eligibility

4 Recipients of Comprehensive Social Security Assistance ("CSSA") are automatically eligible and need not apply. Other vulnerable groups not receiving CSSA, namely those on low income, chronically ill with limited means and elderly with limited means, may apply to Medical Social Workers ("MSWs") for waiver. MSWs in the employ of HA or SWD process waiver applications in accordance with the *Operational Guidelines for MSWs in Waiving of Medical Charges*, issued in March 2003.

5 The assets and income of an applicant's household are assessed: the former on the basis of the number and composition of family members and the latter, in proportion to the Median Monthly Domestic Household Income ("MMDHI").

6 Applicants who come within the asset limit and whose household income not exceeding 50% of MMDHI qualify for full waiver. Those earning in the range of 50% to 75% of MMDHI may have their fees fully or partially waived at the discretion of the MSW on a case-by-case basis, making reference to a number of "non-financial" factors. For patients whose household income is above 75% of the MMDHI, the Guidelines require MSWs to check if there are "special expenses" that make it difficult for the patients to pay the medical fees. MSWs may also grant waiver to patients who do not meet the financial criteria but have "special difficulties".

Processing of Applications

7 Applicants are required to report their financial status in a form. This contains a warning against providing knowingly false information, which may lead to prosecution. The Guidelines require MSWs to read the warning aloud to the applicant. They do not require MSWs to go beyond the information and documents supplied by the applicant as the onus for true and full facts rests on the latter.

8 Once an application is approved, the patient will be issued a certificate for waiver. This may be one-off or for a period of three to six months.

9 MSWs are authorised to waive medical fees up to $7,000 ($5,000 for some institutions). Waiver above this level requires higher authority. Certain cases, including those approved on non-financial grounds, are subject to supervisory review.

10 Fees were reviewed in November 2002. In 2004/05, some 1.1 million persons were granted waiver at a cost of over $500 million. Of these, about 183,000 were non-CSSA recipients, with over $100 million waived. Waivers of over $6.8 million were granted on non-financial grounds, representing some 6.8% of the non-CSSA cases. A survey conducted by HA in 2003/04 revealed that only a tiny proportion of applications had been refused:

Year	Amount of Medical Fees		No. of Cases	
	Collected	Waived*	Waived*	Applications refused

2002/03 (November 2002 – 31.3.2003)	$831 M	$346 M ($76 M)	498,873 (68,911)	Figures not available
2003/04 (1.4.2003 – 31.3.2004)	$1,176 M	$517 M ($123 M)	933,809 (150,122)	1,113#
2004/05 (1.4.2004 – 31.3.2005)	$1,305 M	$527 M ($101 M)	1,108,069 (183,089)	Figures not available

Source: HA

** Figures in brackets are those concerning non-CSSA patients*

Figures in 2003/04 are available from a one-off survey conducted by HA on applications refused in 2003/04. Figures from June 2005 are now available with the introduction of the e-waiver. 126 applications were refused in the second half of 2005.

HA and SWD claimed not to have detected any case of abuse, ever.

Scope for Loopholes

11 For a fuller understanding of the system, we attempted to examine case files and statistical data, particularly on cases rejected. Our objective was primarily to identify deficiencies and opportunity for abuse with a view to recommending improvement where appropriate. However, both HA and SWD could not provide such statistics. As for files, those we had examined were rejected because the applicants had honestly reported household income or household assets that exceeded the prescribed limits. We did not find any case which was rejected because the applicants had been found to supply knowingly false, incomplete or inaccurate information. HA and SWD considered that there was no abuse on the ground that

they had not identified any such case. Meanwhile, we had received information on two cases which suggested that there were certain deficiencies in the system. Having examined HA and SWD's response to our inquiries concerning these two cases, we consider that they do illustrate loopholes in the system. The mentality of some in the HA and SWD management also causes concern.

Oversight or "Cover-Up"?

12 In one case, an applicant for waiver showed MSW A his bank passbook, which contained entries of two deposits, each of $4,275, in the preceding month. MSW A assumed his income to be $4,275, thus coming within the income limit (i.e. within 75% of MMDHI -- $6,000), and granted full waiver for three months on financial grounds. In fact, as shown in his passbook, the patient's monthly income was $8,550 ($4,275 x 2) and way over the limit for full waiver.

13 When the waiver expired, the patient applied again. This time, MSW B spotted the mistake and reported it to district management, an Assistant District Social Welfare Officer ("ADSWO").

14 When asked to comment on the mistake, MSW A claimed that she had taken into consideration the patient's mental condition and approved the waiver on non-financial grounds. ADSWO endorsed the full waiver for the patient on non-financial grounds as an incentive to him for psychiatric treatment. The decision was supported by the District Social Welfare Officer ("DSWO").

15 MSW B persisted and addressed higher authority in SWD with an indication of her intention to take the matter to a Legislative Councillor and this

Office. ADSWO warned MSW B, with threat of disciplinary action, against causing embarrassment to the Administration. MSW B did not give up and emailed a Chief Social Work Officer in Headquarters, with her observations on the incident. She was advised to abide by the decision of district management.

16 ADSWO considered MSW A to have made a "professional assessment and a justified judgment". Although she granted the waiver on financial grounds, she had taken into account the patient's mental condition and the risk of his not attending further treatment if he had to pay.

17 SWD admitted to this Office that MSW A had overlooked the patient's income. However, it has been a long-standing practice for MSWs to grant waiver to psychiatric patients regardless of their means, to motivate them to receive medical treatment lest they pose a threat to the community. SWD considered this practice to be covered in para. 13 of the Guidelines, that "waiver should be granted to patients with special difficulties but who fail to meet the financial criteria".

Our Observations

(1) ***File records clearly indicated that MSW A had mistaken the applicant's income and originally approved the waiver on financial grounds. However, she was allowed to give retrospective justification, after her mistake came to light three months later, that she had approved the waiver on non-financial grounds instead.***

(2) ***In allowing and endorsing retrospective justification, the senior staff in***

this case were clearly not following the Guidelines. The patient's monthly household income was well over $6,000 and 100% of the applicable MMDHI. Para. 13 of the Guidelines was about the non-financial criteria applicable to patients whose income is between 50% and 75% of MMDHI. In citing one sentence of para. 13 to justify grants of waiver regardless of income, SWD had taken its meaning out of context.

(3) ***In our view, this would be a case for the "supervisory review" cited at para. 9. However, as it happened, we find it strange that MSW B's discovery and attempt, quite properly, to rectify should have drawn such reactions from both district management and Headquarters.***

Obliviousness to Deficiencies

18 Allegedly, in a case where a patient had defaulted $12,000 in medical fees, an MSW was asked by accounting staff to "waive" the sum to avoid writing-off. As MSWs could grant waivers only up to $7,000, two certificates were issued to cover the amount.

19 This suggests the possibility of granting waiver even without applications and circumventing Government accounting and financial regulations. Without verifying the veracity of the case because of the anonymity of the informant, we asked HA and SWD if such practices were possible. Both HA and SWD made blanket statements that there were adequate safeguards and control in the Guidelines to prevent abuse and emphasised that MSWs were fully conversant with the criteria and proper procedures.

20 We raised two further specific questions:

(a) whether MSWs could grant waiver in the absence of a signed application; and

(b) whether they could dispense with the requirement to seek approval for waiving fees over $7,000.

21 Regarding (a), HA and SWD stated that patients emotionally disturbed, abused or suffering from psychiatric illness may be resistant to treatment and not apply for waiver for treatment. MSWs may, therefore, exercise their discretion and grant waiver to such patients even in the absence of a signed application form. Neither HA nor SWD considered this a problem. SWD again cited para. 13 of the Guidelines to justify this discretion.

22 As for (b), HA and SWD simply indicated that MSWs would seek approval under these circumstances. Later, HA advised that its accounting system will detect cases where the total sum waived exceeds $7,000.

Our Observations

(1) ***We cannot find anything in the Guidelines, in para. 13 or elsewhere, that provides for granting of waiver in the absence of application. SWD is again citing the sentence out of context to justify waivers not covered in the Guidelines.***

(2) ***The case has revealed scope for malpractice in the system.***

(3) ***We are concerned that both HA and SWD should have dismissed the matter so readily.***

Our Views

23 We commend Government for its commitment to provide for the truly needy and vulnerable. We firmly support the principle and philosophy that it is the community's responsibility to look after the less fortunate members. In this context, the waiver system funded by taxpayers' money should be properly administered to benefit only those genuinely in need. As custodians of public funds, HA and SWD must guard against misuse or abuse.

Processing of Applications and Eligibility

24 In less than 29 months (from November 2002 to March 2005), MSWs had approved over 400,000 applications, waiving some $300 million. In 2003/04, MSWs had approved over **99%** of the applications (150,122 waived of 151,235 applications) at $123 million.

25 In processing applications, the case MSW is at once the disburser and the gatekeeper. The MSW is expected to exercise judgment to approve waiver for the genuinely needy and vulnerable but to refuse those not justified or qualified.

26 Admittedly, attempts by applicants to hide assets and income or to overstate expenses are often not easily detected as case volume is great and

verification is not mandatory. Moreover, the non-financial criteria for approval are loose and vague. The case MSW is the first, and often even the only, line of defence in the system to scrutinise an application. The first case indicates a disturbing management mentality: an officer vetting an application properly and pointing out an earlier error was not only not appreciated by the supervisors, but actually "gagged" with threat of discipline. Meanwhile, ADSWO regarded MSW A to have made "professional assessment" for ignoring the Guidelines.

27 The almost 100% approval of waiver suggests the possibility of insufficient focus on genuine need or care in scrutiny of applications. The vague criteria for waiver on non-financial grounds may also lead to inconsistencies among MSWs in their decisions. There is, therefore, a need for them to document properly the non-financial factors, particularly the "special difficulties" and the basis for decision. This would facilitate review by supervisors and consistency among MSWs.

28 We support an honour system, especially in view of the volume of cases coming before MSWs and the urgency of many (perhaps even most) patients for assistance. It is just not possible to verify each piece of information provided before granting waiver. However, applicants must be deterred from providing knowingly false, incomplete or inaccurate information. The warning contained in the form and read out by the case MSW can have little deterrent effect if no post-approval random check is ever conducted and no attempt to defraud penalised.

29 HA and SWD's complacent attitude to the current system is surprising and worrying. They seem not to recognise possible loopholes in the system even though they are gaping wide open. There seems to be little concern, even within the

management, for potential abuse or improper vetting.

Validity Period of Waiver

30 Certificate for Waiver of Medical Charges, which is valid for a period (usually three to six months), is not appropriate for patients whose financial situations are likely to change, e.g. those who are young and only temporarily unemployed. MSWs need to consider only one-off certificates to such patients so that their financial situations may be assessed every time they seek waiver.

31 For other patients, e.g. senior citizens requiring long-term medical care, the position is different. Once the genuine need for waiver is established, there is no reason to ask them to go through the application process every few months. Extending the validity of these patients' certificates will ease their plight and reduce MSWs' workload. In this regard, reference can be drawn from the three-year review for senior CSSA recipients.

Psychiatric Patients

32 According to HA and SWD, psychiatric patients require special attention so that:

- they need not submit an application for waiver (para. 21); and
- MSWs would be inclined to grant waiver regardless of their assets and income (para. 17).

We take the point of motivating psychiatric patients to receive medical treatment.

However, the practically automatic approval of waiver ignores the fact that there may be psychiatric patients who are able and willing to pay. Besides, HA and SWD have not provided documentation on how this long-standing practice should be implemented.

Recommendations

33 We support Government's policy for accessible and affordable medical care for all those in need of such services. However, we are astounded by the complacency and the complete lack of vigilance permeating through the waiver system in both HA and SWD. They seem oblivious to obvious deficiencies.

34 We applaud those MSWs who try to do their job properly. We commend their responsible endeavours.

35 The Ombudsman has made the following recommendations:

(a) Adherence to Waiver Objective

i) change the seeming established mindset of MSWs and warn them against casual approval;

ii) review the non-financial criteria for approval, to be clearer and more specific and in line with Government policy;

iii) properly document factors considered and basis of

decision when waiving fees of psychiatric patients;

iv) devise a counter-checking mechanism by, say, internal audit teams, to vet approval of full waivers granted to patients whose income is above 50% of MMDHI;

v) encourage, not deter, MSWs to report cases of suspected abuse;

(b) Prevention of Abuse

i) require MSWs to examine carefully information supplied by applicants and, in case of doubt, contact family members, banks or employers in accordance with the Guidelines;

ii) for suspect but indeterminable cases, require MSWs to grant waiver first and then, involving Headquarters where appropriate, conduct post-approval investigation;

iii) select a percentage of cases at random for post-approval checks;

iv) publicise random check arrangements to deter abuse;

v) remind officers of the importance of alerting applicants to the legal consequence of providing knowingly false, inaccurate or incomplete information;

vi) take firm action against defrauders and publicise such cases;

(c) Validity Period of Waiver

i) review the validity period of certificates granted to different patient groups;

(d) Psychiatric Patients

i) to review the Guidelines to reflect the long-standing practice of giving psychiatric patients special treatment.

Overall, we consider it crucial for the integrity of the waiver system for HA and SWD to instil and sustain a more positive and vigilant attitude to vetting and approving applications. Only then can the system benefit those genuinely in need.

Comments from HA and SWD

36 We have studied the detailed comments on the draft investigation report and where appropriate, incorporated their views and proposed textual

amendments.

37 They have also made some specific comments. Appended below are their comments and our response:

Comments of HA and SWD	**Our response**
1. Risk of abuse is small because: (a) the low monetary value does not make it worthwhile for the patients to defraud (b) persons must be ill and do not have monetary gain (c) MSWs are professionals	1. Over-optimistic and wishful thinking: (a) taxpayers' money, however small in amount, must be safeguarded ($746/case versus $100 daily rate for in-patient service) (b) not having to pay is a cash benefit (c) it is unfair and unrealistic for individual MSWs to safeguard a deficient system.
2. Almost 100% approval rate – because patients who know they are not eligible do not apply	2. Over-reliance on the "honour system" and under-estimating the possibility of fraudulent attempts. There were honest applicants who had stated their financial position even though that disqualified them. However, HA and SWD have no means of checking whether and if so, how many of the approved cases had understated their financial situation.
3. Non-financial grounds – MSWs will judge each case on merit and such cases account for a small percentage	3. Need for consistency among MSWs

38 HA and SWD have generally accepted our recommendations. Implementation of some is underway.

Final Remarks

39 The Ombudsman thanks the Chief Executive of HA, Director of Social Welfare and their staff for assistance and cooperation in this exercise. She is pleased to learn of their acceptance of our recommendations and will monitor progress of implementation.

40 She also places on record her gratitude to those who have shared with us their views on this subject.

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1

INTRODUCTION

BACKGROUND

1.1 Hong Kong's public medical care system is accessible to all. It is Government policy that no one should be denied medical care because of lack of means. To assist low-income and other vulnerable groups, Government has provision for fee waiver to subsidise medical care for the needy.

1.2 A complaint alleging abuse of the fee waiver system prompted us to make preliminary inquiries with the Hospital Authority ("Hosp A") and the Social Welfare Department ("SWD"), both with authority for waiving fees. Over the years, the amount waived has consistently been substantial (e.g. in 2004/05, medical fees waived amounted to $527 million for 1.1 million cases). At the preliminary inquiry stage, no statistics were available for unsuccessful applications, nor information on reasons for rejection. Both Hosp A and SWD claimed not to have detected any case of abuse.

1.3 Government's policy for accessible and affordable medical care is commendable. As public resources are finite, the community expects that

every effort should be made to ensure they are used for those genuinely in need, and that the authorities are vigilant against possible abuse.

1.4 On 6 October 2005, The Ombudsman informed the Chief Executive of Hosp A ("CE/HA") and the Director of Social Welfare ("DSW") that she had decided to initiate a direct investigation under section 7(1)(a)(ii) of The Ombudsman Ordinance, Cap. 397. The Ombudsman declared this direct investigation on 27 October 2005.

PURPOSE AND AMBIT

1.5 Our investigation aims to examine:

(a) the role of Hosp A and SWD in administering the medical fee waiver system;

(b) the existing mechanism for detecting, deterring and preventing abuse; and

(c) the adequacy and effectiveness of the existing mechanism.

METHODOLOGY

1.6 We studied and analysed information provided by Hosp A and SWD, including administrative procedures, statistical data and a number of case files. We also discussed with their representatives.

1.7 Members of the public were invited to give comments and suggestions from 27 October to 28 November 2004. A seasoned social worker and a former social worker (anonymous) responded in writing. The former concerned administration of the waiver system in general. The latter suggested possible loopholes in the system, which we put to Hosp A and SWD for comments (see Chapter 3). We wrote to the Hong Kong Social Workers Association and Hong Kong Patients' Rights Association for views. Two Community Organisers from the latter, together with five senior citizens in need of waivers, came on 12 December 2005 to share their views with us.

1.8 We are grateful to them all for their support and assistance.

INVESTIGATION REPORT

1.9 A draft investigation report was sent on 6 March 2006 to CE/HA and DSW for comments. A meeting between Hosp A, SWD and this Office to discuss the draft report was held on 23 March 2006. Subsequently, their written comments were received on 28 March 2006. This final report was issued on 31 March 2006.

2

WAIVER SYSTEM

PUBLIC MEDICAL CARE

2.1 With growing affluence, Hong Kong has developed a comprehensive, high-quality but affordable and accessible public medical care services. Hosp A, with a staff of some 52,000, manages 43 public hospitals and institutions, 45 specialist clinics and 74 general outpatient clinics.

2.2 For 2004/05, the budget for Hosp A was $27.8 billion, about 13% of the Government budget for recurrent expenditure.

2.3 In December 2000, Government published a Health Care Reform Consultation Document, proposing three strategic directions for medical care financing. One was to revamp the medical fee structure[1].

Fee Structure Review

[1] The other two strategic directions were to reduce cost and enhance productivity and to introduce medical savings through a Health Protection Account scheme. These are outside the scope of this study.

2.4 Consequently, in November 2002, the fee structure was revamped as follows:

Service	Original Fee	Revised Fee	Effective Date
Accident & Emergency	Free	$100 per attendance	29.11.2002
In-patient (general beds)	$68 per day	$100 per day, plus $50 admission fee for the 1st day	01.04.2003
In-patient (convalescent, rehabilitation, infirmary and psychiatric beds)	$68 per day	$68 per day	No change
Specialist Out-patient	$44 per attendance	$60 per attendance (or $100 for the 1st attendance), plus $10 per drug item	01.04.2003
General Out-patient	$37 per attendance	$45 per attendance	01.04.2003
Dressing & Injection	$15 per attendance	$17 per attendance	01.04.2003
Geriatric Day Hospital	$55 per attendance	$55 per attendance	No change
Psychiatric Day Hospital	$55 per attendance	$55 per attendance	No change
Drugs	Free	$10 per drug item	01.05.2003
Private services	Full cost at 1995/96 level	Current full cost or market rates	01.04.2003

Source: Hosp A

2.5 Even after the review and the increase in charges for various services, public subsidy still covers 96% of the costs.

WAIVER

2.6 To help those who need medical care but cannot afford the fees,

Government has long had a waiver system. All recipients of Comprehensive Social Security Assistance ("CSSA") are automatically eligible for fee waiver and need not go through any application procedures.

2.7 Other vulnerable groups not receiving CSSA in need of fee waiver may submit their applications to Medical Social Workers ("MSWs"), who will process their applications in accordance with operational guidelines. The medical fee waiver system was reviewed in November 2002 with the revision of fees above. Revised operational guidelines, the *Operational Guidelines for MSWs in Waiving of Medical Charges* ("the Guidelines"), were issued jointly by Hosp A and SWD in March 2003.

Principles

2.8 To ensure consistency in approving and refusing applications, all MSWs, whether under Hosp A or SWD employ, follow the same Guidelines. The guiding principles are set out in the Guidelines as follows:

(a) public funds should be channelled to the vulnerable;

(b) eligibility criteria should be objective and transparent; and

(c) access to medical services should be facilitated.

Eligibility

2.9 Three vulnerable groups not on CSSA may have their medical fees waived, namely:

- low-income groups;
- chronically ill patients with limited means; and
- elderly patients with limited means.

Approval: Grounds and Procedures

Means Test

2.10 To apply for waiver, the patient's household assets and household income will be assessed. The limits on household assets are:

Household Size	Asset Limit (with no elderly member)	Asset Limit (with 1 elderly member)	Asset Limit (with 2 elderly members)
1	$30,000	$150,000	-
2	$60,000	$180,000	$300,000
3	$90,000	$210,000	$330,000
4	$120,000	$240,000	$360,000
5 or above	$150,000	$270,000	$390,000

Note: The asset limit is raised by $120,000 for each elderly member (i.e. age ≥ 65) in the patient's family.

Source: Hosp A

2.11 The limits on household income are proportionate to the Median Monthly Domestic Household Income ("MMDHI"):

Household Size	MMDHI	75% of the MMDHI	50% of the MMDHI
1	$6,000	$4,500	$3,000
2	$12,700	$9,525	$6,350
3	$16,000	$12,000	$8,000
4	$19,400	$14,500	$9,700
5	$24,300	$18,225	$12,150
6 or above	$25,300	$18,975	$12,650

Source: General Household Survey, Census and Statistics Department

Applicants who meet the asset limit and whose household income does not exceed 50% of MMDHI will be eligible for full waiver. Those meeting the asset limit and earning 50% to 75% of MMDHI may have their fees fully or partially waived at the discretion of the case MSW on a case-by-case basis, making reference to a number of "non-financial" factors.

Non-Financial Grounds

2.12 The Guidelines provide the following non-financial factors for granting waiver to patients whose household income is between 50% to 75% of MMDHI:

(a) categories of patients (e.g. elderly persons, disabled persons, single parents with dependant children, under-privileged groups);
(b) nature of illness (e.g chronic illness or terminal illness);
(c) frequency and duration of hospitalisation (e.g. patients with hospitalisation period of over 30 days in a year);

(d) frequency of follow-up medical treatment at Specialist Outpatient Departments (e.g. patients attending these departments for over 10 times a year);

(e) whether a fee waiver would provide incentive and support to solve the patient's family problems; and

(f) special expenses with justifications.

2.13 It is stated in the Guidelines that "the non-financial criteria are intended to ensure that the elders and chronic patients who are frequent users of public medical services would be considered for a full waiver, even if their income is **above 50%** of the MMDHI. This list is not exhaustive and social workers will exercise their professional judgment and discretion in determining whether a waiver should be granted to patients with **special difficulties** but who fail to meet the financial criteria".

2.14 For patients whose household income is above 75% of the MMDHI, the Guidelines require MSWs to find out if there are **special expenses** payable by the patients, such as rehabilitation aids, nutritional supplements, maintenance fees for relatives in elderly homes that would render it difficult for them to settle the medical fees. MSWs will exercise their judgment as to whether to grant full or partial waiver.

Processing of Applications

2.15 All public hospitals and institutions are attended by MSWs at the

rank of Social Work Officer or Assistant Social Work Officer, whose duties include handling applications for waiver. Patients who are not CSSA recipients but wish to apply for waiver complete an Assessment Form for Waiving of Medical Charges (**Annex 1**), in which they are required to report their financial status, attest to the truthfulness of the information and undertake to report subsequent changes. The form contains a warning against providing knowingly false information, which may lead to prosecution. Applicants should then hand in the form to an MSW of the hospital with documentary proof of assets (e.g. records of bank deposits), income (e.g. bank passbooks, salary statements and tax returns) and expenses (e.g. statements of mortgage, rental agreements, loans and medical bills). The Guidelines require MSWs to read the warning aloud to the applicant.

2.16 The Guidelines do not require MSWs to go beyond the information and documents supplied by the applicant as the onus for true and complete facts rests on the latter. In processing an application, "the MSW should verify, **if necessary**, the family's income and assets by the documents provided by the applicants" and "**where necessary**, the MSW may also contact the persons concerned to clarify the information" (our *emphasis*). Using the guidance and criteria provided in the Guidelines, MSWs are to exercise their judgment and determine whether to grant waiver, by how much and on what grounds. If the fee exceeds $7,000, they will seek approval from higher authority (para. 2.18).

2.17 Once an application is approved, the patient will be issued with a Certificate for Waiver of Medical Charges (**Annex 2**). The waiver may be

one-off or for a period of three to six months. Upon expiry, the patient has to apply anew. MSWs have the discretion to decide on the period of validity but for patients at General Outpatient Departments, only one-off waiver should be granted. For chronically ill patients, 12-month waiver may be considered. A valid certificate will be applicable not only to the institution that the patient attends or where the waiver is obtained, but also other institutions that provide the same service.

2.18 MSWs are authorised to waive medical fees not exceeding $7,000 ($5,000 for some institutions). To waive fees above this level, support from the Hospital Chief Executive has to be sought. The case will then be referred to Hosp A Head Office for consideration. Under normal circumstances, approved applications will be endorsed by their supervisors within five working days. In addition, cases approved on non-financial grounds, cases approved for 12 months and cases where the applicants are non-eligible[2] persons are subject to supervisory review.

STATISTICS

2.19 There were a total of 480 MSWs as at June 2005. Of these, 131 were employed by Hosp A and 349 by SWD:

[2] Eligible persons are:

(i) holders of Hong Kong Identity Card issued under the Registration of Persons Ordinance;

(ii) children who are Hong Kong residents and under 11 years of age; or

(iii) other persons approved by CE/HA or the Director of Health.

MSWs under Hosp A's employ

Hospital / Institution	No. of MSWs		
	Social Work Officer	Assistant Social Work Officer	Total
Alice Ho Miu Ling Nethersole Hospital	1	6	7
Bradbury Hospice		2	2
Hong Kong Buddhist Hospital		3	3
Cheshire Home, Chung Hom Kok		1	1
Caritas Medical Centre	3	7	10
The Duchess of Kent Children's Hospital		5	5
Fung Yiu King Hospital		1	1
Grantham Hospital		5	5
Haven of Hope Hospital		8	8
Kowloon Hospital		2	2
Kwong Wah Hospital	3	15	18
MacLehose Medical Rehabilitation Centre		1	1
Our Lady of Maryknoll Hospital	1	3	4
Pok Oi Hospital		5	5
Ruttonjee Hospital	1	9	10
Cheshire Home, Shatin		1	1
Tung Wah Eastern Hospital	1	4	5
Tung Wah Hospital	1	6	7
United Christian Hospital	2	16	18
TWGHs Wong Tai Sin Hospital	1	8	9
Yan Chai Hospital	1	8	9
Total	**15**	**116**	**131**

Source: Hosp A

MSWs under SWD's employ

Hospital / Institution	No. of MSWs		
	Social Work Officer	Assistant Social Work Officer	Total

Queen Mary Hospital	4	27	31
Western Psychiatric Centre	3	9	12
Pamela Youde Nethersole Eastern Hospital	2	13	15
Pamela Youde Nethersole Eastern Hospital (PsyD)	4	18	22
East Kowloon Psychiatric Centre	3	7	10
Tseung Kwan O Hospital	1	5	6
Yung Fung Shee Memorial Centre	3	12	15
Queen Elizabeth Hospital	3	19	22
Yaumatei Psychiatric Centre	4	13	17
Hong Kong Eye Hospital & KHRB	1	6	7
Kowloon Hospital	1	8	9
Kowloon Hospital Psychiatric Unit	3	9	12
Princess Wales Hospital	2	12	14
Princess Wales Hospital (Psy U)	2	6	8
Shatin Hospital	2	10	12
Tai Po Hospital	2	9	11
North District Hospital	2	9	11
Castle Peak Hospital	6	25	31
Tuen Mun Hospital	3	20	23
Princess Margaret Hospital	2	17	19
Kwai Chung Hospital	7	21	28
Child Assessment Centre (Urban Team)	1	5	6
Child Assessment Centre (NT Team)	1	7	8
Total	**62**	**287**	**349**

Source: SWD

2.20 Since the fee structure review in November 2002, millions of waivers have been granted. In 2004/05, the number of waiver was about 1.1 million at a cost of over $500 million medical fees. Of these, about 183,000 waivers were given to non-CSSA recipients, with over $100 million waived. Waivers granted on non-financial grounds represent some 6.8% of non-CSSA

cases, with over $6.8 million waived. A survey conducted by Hosp A in 2003/04 revealed that only a tiny proportion of applications had been refused:

Year	Amount of Medical Fees		No. of Cases	
	Collected	Waived*	Waived*	Applications refused
2002/03 (November 2002 – 31.3.2003)	$831 M	$346 M ($76 M)	498,873 (68,911)	Figures not available
2003/04 (1.4.2003 – 31.3.2004)	$1,176 M	$517 M ($123 M)	933,809 (150,122)	1,113#
2004/05 (1.4.2004 – 31.3.2005)	$1,305 M	$527 M ($101 M)	1,108,069 (183,089)	Figures not available

Source: Hosp A

** Figures in brackets are those concerning non-CSSA patients*

Figures in 2003/04 are available from a one-off survey conducted by Hosp A on applications refused in 2003/04. Figures from June 2005 are now available with the introduction of the e-waiver. 126 applications were refused in the second half of 2005.

PREVENTION OF ABUSE

2.21 Applicants are warned against defrauding waiver, both in the application form and verbally by the case MSW (para. 2.15). As an additional safeguard, frontline managers and staff from the Headquarters of Hosp A and SWD meet every four months to review operational matters and

statistics on waiver. The meeting provides a forum for continual improvement including discussion on the operation of the system. The meeting has not identified abuse of the system as an issue of great concern.

2.22 Hosp A and SWD said that they will pursue cases of suspected abuse and, where appropriate, report to the Police. However, neither Hosp A nor SWD has ever detected any suspected case of abuse. The Guidelines have not laid down standard procedures for detection or report of suspect cases. It relies entirely on the discretion of the MSW concerned (para. 2.16).

A NOTE ON PSYCHIATRIC PATIENTS

2.23 Hosp A and SWD have emphasised the need for flexibility in granting waiver to psychiatric patients. Such patients should be motivated to receive medical treatment, without which they may pose a threat to the community. As a result, regardless of these patients' means, MSWs are "inclined" to grant waiver to them. This is their "long-standing practice"[3].

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[3] According to information supplied by SWD at the meeting on 23 March 2006.

3

SCOPE FOR LOOPHOLES

3.1 For a fuller understanding of the system, we attempted to examine case files and statistical data, particularly on cases rejected. Our objective was primarily to identify deficiencies and opportunity for abuse with a view to recommending improvement where appropriate. However, both Hosp A and SWD could not provide such statistics. As for files, those we had examined were rejected because the applicants had reported household income or household assets that exceeded the prescribed limits. We did not find any case where the case MSW had found out that the applicants had supplied knowingly false, incomplete or inaccurate information. Hosp A and SWD considered that there was no abuse on the ground that they had not identified any such case. Meanwhile, we had received information on two cases which suggested that there were certain deficiencies in the system. Nevertheless, we take a fair and just approach by not taking this information on its face value. We have asked Hosp A and SWD to comment and supply us with information to rebut these allegations.

3.2 Having examined their response, we consider that a case reported by a serving MSW (paras. 3.3 to 3.7) and an anonymous report from a person claiming to be a former MSW (paras. 3.8 to 3.10) do illustrate possible loopholes in the system. The mentality of some officers in the Hosp A and SWD management in face of these allegations also causes concern.

OVERSIGHT OR "COVER-UP"?

3.3 In this case, the applicant for fee waiver showed MSW A his bank passbook, which contained entries of two deposits, each of $4,275, in the preceding month. MSW A assumed his income to be $4,275 and within 75% of MMDHI (para. 2.11), thus granting him a three-month full waiver on financial grounds. In fact, as his passbook showed, the patient had received two payments in the preceding month. His monthly income was, therefore, $8,550 ($4,275 x 2) and way over the limit for full waiver[4].

3.4 After the three-month waiver expired, the patient made another application. This time, it was handled by MSW B, who spotted the mistake and reported it to district management, i.e. an Assistant District Social Welfare Officer ("ADSWO"). MSW B recommended reporting the suspected fraud to the Police.

[4] When asked to comment on this mistake, MSW A said that "taking (into) consideration of the last two income transactions of his bankbook, I assumed that he only received $4,275 every month and thus a discrepancy between $4,275 and $8,550 was subsequently found. In view of his irritated emotion and to encourage him (to) receive the psychiatric treatment, (I) issued him a 3-month waiver on non-financial ground". This statement cannot be supported by the form MSW A had signed to approve the waiver as this documented it as being made on financial grounds.

3.5 As the patient had produced his passbook for MSW A's examination, ADSWO considered him to have no intention to defraud. ADSWO, therefore, decided against reporting to the Police and endorsed full waiver for the patient on the non-financial grounds of giving him an incentive to receive psychiatric treatment. The decision was endorsed by the District Social Welfare Officer ("DSWO").

3.6 However, MSW B persisted and addressed a minute to an Assistant Director in Headquarters *via* DSWO and ADSWO. She also indicated her intention to take the matter outside the department, including a Legislative Councillor and this Office. However, DSWO did not pass on the minute and ADSWO warned MSW B against causing embarrassment to the Administration with threat of disciplinary action. MSW B refused to give up and emailed to a Chief Social Work Officer in Headquarters, reporting the incident and her observations. She was advised to abide by the decision of district management.

3.7 In his statement to this Office, ADSWO commented on MSW A as having made a "professional assessment and a justified judgment". Although she granted the waiver on financial grounds, she had taken into account the patient's mental condition and the risk of his not attending further treatment if he had to pay for it. On MSW B, ADSWO remarked that she had failed to explain the waiver system and assessment criteria to the patient.

SWD comments:

(1) *It is MSWs' long-standing practice to grant waiver to psychiatric patients regardless of their assets and income (para. 2.23). To justify this long-standing practice, SWD cited para. 13 of the Guidelines - "a waiver should be granted to patients with special difficulties but who fail to meet the financial criteria" (para. 2.12).*

(2) *SWD admitted MSW A's oversight of the patient's income, but said that the medical fee of the patient would have been waived in any event in line with the above practice.*

Our observations:

(1) *File records clearly indicated that MSW A had mistaken the applicant's income and originally approved the waiver on financial grounds. However, she was allowed to give covering justification, after her mistake came to light three months later, that she had approved the waiver on non-financial grounds instead.*

(2) *In allowing and endorsing retrospective justification, the senior staff in this case were clearly not following the Guidelines. The patient's monthly household income was well over $6,000 and 100% of the applicable MMDHI. Para. 13 of the Guidelines was about the non-financial criteria applicable to patients whose income is between 50% and 75% of MMDHI (para. 2.12). In citing one sentence of para. 13 to justify grants of waiver regardless of income, SWD had taken its meaning out of context.*

(3) ***In our view, this would be a case for the "supervisory review" cited at para. 2.18. However, as it happened, we find it strange that MSW B's discovery and attempt, quite properly, to rectify should have drawn such reactions from both district management and Headquarters.***

OBLIVIOUSNESS TO DEFICIENCIES

3.8 A former MSW alleged that in a case where a patient had defaulted $12,000 in medical fees, he was asked by accounting staff to "waive" the sum to avoid writing-off. As MSWs could grant waivers only up to $7,000, he issued two certificates to cover the fees defaulted.

3.9 This is tantamount to MSWs granting waiver even without applications ever being received and circumventing Government accounting and financial regulations. We tried to verify these allegations with Hosp A and SWD. When asked about the possibility of such practices, both Hosp A and SWD made blanket statements that there were adequate safeguards and control in the Guidelines to prevent abuse and emphasised that MSWs were fully conversant with the proper procedures and assessment criteria.

3.10 We pursued this aspect with two further specific questions:

(a) whether MSWs could grant waiver in the absence of a signed application form; and

(b) whether they could dispense with the requirement to seek approval for waiving fees exceeding $7,000 (para. 2.18).

Regarding (a), Hosp A and SWD admitted that patients emotionally disturbed, abused or suffering from psychiatric illness may be resistant to treatment and not apply for waiver for treatment. Thus, MSWs may exercise their discretion and grant waiver to such patients even in the absence of a signed application form. Neither Hosp A nor SWD considered this a problem. SWD cited the same sentence in para. 13 of the Guidelines as it did in the previous case, i.e. "that waiver should be granted to patients with special difficulties but who fail to meet the financial criteria", to justify this discretion. Regarding (b), Hosp A and SWD just repeated that MSWs would seek approval under the circumstances.

3.11 Finally, during our discussion on 23 March 2006 (para. 1.9), Hosp A assured us that the system has a safeguard against (b): its Patient Billing and Revenue Collection System will detect cases where the total sum waived exceeds $7,000.

Our observations:

(1) ***We cannot find anything in the Guidelines, in para. 13 or elsewhere, that provides for granting of waiver in the absence of application. SWD is citing the sentence out of context to justify waivers not covered in the Guidelines.***

(2) ***The case has revealed scope for malpractice in the system.***

(3) ***We are concerned that both Hosp A and SWD should have dismissed the matter so readily.***

OUR CONCERN

3.12 We can only hope that the practices outlined above are not widespread. However, we cannot tell, given:

- the lack of compiled statistical information on reasons for rejection;
- the loose criteria for waiver on non-financial grounds; and
- the practically 100% approval of cases.

4

OBSERVATIONS AND OPINIONS

PUBLIC MEDICAL CARE

4.1 Hong Kong has an aging population enjoying longer life expectancy. Government faces the prospect of rising recurrent expenditure for public medical care services. For the longer-term sustainability of the services, Government has had to raise medical fees after public consultation in 2000 (para. 2.4).

4.2 We commend Government for its commitment to provide for the truly needy and vulnerable. We firmly support the principle and philosophy that it is the community's responsibility to look after its less fortunate members.

WAIVER

4.3 In this context, the waiver system funded by taxpayers' money should be properly administered to benefit only those genuinely in need. As custodians of public funds, Hosp A and SWD must guard against misuse or abuse.

Processing of Applications and Eligibility

4.4 In less than 29 months (from November 2002 to March 2005), MSWs had approved over 400,000 applications, waiving some $300 million (para. 2.20). In 2003/04, for which an exact figure on refusal is available, MSWs had approved over **99%** of the applications (150,122 waiver cases out of 151,235 applications). On average, each MSW waived over $250,000 a year ($123 million among 480 MSWs). The rate of nearly 100% approval casts doubt on the effectiveness of Hosp A and SWD's approach to ensure that "public funds should be channelled to the vulnerable groups" (para. 2.8)[5].

4.5 In processing applications, the case MSW is at once the disburser and the gatekeeper. The MSW is expected to exercise judgment to approve waiver for the genuinely needy and vulnerable but to refuse those not justified or qualified.

4.6 Admittedly, applicants' attempts to hide assets and income or to overstate expenses are often not easily detected as case volume is great and

[5] Paragraph 7 of LegCo Paper No. CB(2)1245/02-03(15) of 24 February 2003.

investigation is not mandatory (para. 2.16). Moreover, the non-financial criteria for approval are loose and vague:

(a) "special expenses with justification" (para. 2.12(f));

(b) "incentive and support to solve the patient's family problem" (para. 2.12(e)).

These criteria are wide open to interpretation. While accepting that the list of non-financial factors set out in the Guidelines cannot be exhaustive, and that sometimes "special difficulties" should be catered for even if applicants fail to meet the financial criteria (para. 2.12), there should be some qualification that "special difficulties" refer to the applicants' affordability. We, therefore, doubt whether this "special difficulties" provision is consistent with the policy of ensuring that "no one will be denied adequate medical care due to lack of means"[6] (our *emphasis*).

4.7 The case MSW is the first, and sometimes the only, line of defence in the system to scrutinise an application. The first case in Chapter 3 (paras. 3.3 to 3.7) indicates a disturbing management mentality: an officer vetting an application properly and pointing out an earlier error was not only not appreciated by the supervisors, but actually "gagged" with threat of discipline (para. 3.6). Meanwhile, ADSWO regarded MSW A to have made "professional assessment" for ignoring the Guidelines (para. 3.7).

4.8 The almost 100% approval of waiver (para. 2.20) suggests possibility of insufficient focus on genuine need or care in scrutiny of applications. The vague criteria for waiver on non-financial grounds may also

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[6] Paragraph 6 of LegCo Paper No. CB(2)1245/02-03(15) of 24 February 2003.

lead to inconsistencies among MSWs in their decisions on whether to grant waiver (para. 4.6). There is, therefore, a need to properly document the non-financial factors, particularly the "special difficulties" and the basis of decision to facilitate review by supervisors and consistency among MSWs.

PREVENTION OF ABUSE

4.9 The system operates on the basis of information and documents supplied by applicants. The Guidelines provide for investigation only "where necessary" (para. 2.16). For most cases, there are no home visits to verify the family status, no contact with banks or employers to verify the savings or employment status and no post-approval random checks to deter fraudulent attempts. There is simply no way of detecting or deterring abuse.

4.10 We support an honour system, especially in view of the volume of cases coming before MSWs and the urgency of many (perhaps even most) patients for assistance. It is just not possible to verify each piece of information provided before granting waiver. However, applicants must be deterred from providing knowingly false, incomplete or inaccurate information. The warning contained in the form and read out by the case MSW (para. 2.15) can have little deterrent effect if no post-approval random check is ever conducted and no defraud case penalised. Merely bringing applicants' attention to the legal consequence of obtaining waiver by deception (para. 2.21) but not taking any action is only an empty threat.

4.11 Hosp A and SWD's complacent attitude to the current system is surprising and worrying. They seem not to recognise even though possible loopholes in the system are gaping wide open (para. 3.10). There seems to be little concern, even within the management, for potential abuse or improper vetting.

VALIDITY PERIOD OF WAIVER

4.12 Certificate for Waiver of Medical Charges, which is valid over a period (usually for three to six months), is not appropriate for patients whose financial situations are likely to change, e.g. those who are young and only temporarily unemployed. There is a need for MSWs to consider only one-off certificates to such patients so that their financial situations may be assessed every time they seek waiver.

4.13 For other patients, e.g. senior citizens requiring long-term medical care, the position is different. Once the genuine need for waiver is established, there is no reason to ask them to go through the application process every few months. With the long waiting time for appointments to specialist clinics[7], a six-month certificate will allow the patient only two or even just one visit. Extending the validity of these patients' certificates will ease their plight and reduce MSWs' workload. In this regard, reference can be drawn from the three-year review for senior CSSA recipients.

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[7] Average waiting time for first appointment is six weeks but for some specialist clinics it can be as long as 17 weeks. Source: Hosp A, statistics for April to September 2005.

PSYCHIATRIC PATIENTS

4.14 According to Hosp A and SWD, psychiatric patients require special attention. In this context:

- they may not have to submit an application for waiver; and
- MSWs would be inclined to grant waiver regardless of their assets and income (para. 2.23).

We take the point of motivating psychiatric patients to receive medical treatment. However, the practically automatic approval of waiver ignores the fact that there may be psychiatric patients who are able and willing to pay. Besides, Hosp A and SWD have not provided documentation on how this long-standing practice should be implemented.

CONCLUDING COMMENTS

4.15 To ensure public resources benefit the genuinely needy and vulnerable, it is necessary and reasonable for a system to be in place to identify patients who cannot afford to pay and to waive the fees for them.

4.16 As the objective is to ensure that no one is denied medical care because of lack of means, eligibility should fundamentally be linked to

financial means. We accept that the non-financial factors should remain but consider that they should be much more clearly defined.

4.17 For psychiatric patients, as the special treatment is considered necessary and waiver has apparently been a long-standing practice, the Guidelines should reflect this. In waiving their fees, there is also a need for MSWs to properly document the factors considered and basis of decision.

5

RECOMMENDATIONS

5.1 We support Government's policy for accessible and affordable medical care for all those in need of such services. However, we are astounded by the complacency and the complete lack of vigilance permeating through the waiver system in both Hosp A and SWD. They seem oblivious to obvious deficiencies.

5.2 We applaud those MSWs who try to do their job properly. We commend their responsible endeavours. These officers are truly the guardians of the system for the benefit of those genuinely in need.

5.3 On the basis of our observations, The Ombudsman has made the following recommendations to CE/HA and DSW:

(a) Adherence to Waiver Objective

i) firmly remind officers of the importance of processing applications with due care and warn them against causal approval: para. 4.4;

ii) review the non-financial criteria for approval, to be clearer and more specific and in line with Government policy: para. 4.6;

iii) properly document factors considered and basis of decision when waiving fees of psychiatric patients: para. 4.8;

iv) devise a counter-checking mechanism by, say, internal audit teams, to vet approval of full waivers granted to patients whose income is above 50% of MMDHI: para. 4.6;

v) encourage, not deter, MSWs to report cases of suspected abuse: para. 4.7;

(b) Prevention of Abuse

i) require MSWs to examine carefully information supplied by applicants and, in case of doubt, contact family members, banks or employers in accordance with the Guidelines: para. 4.9;

ii) for suspect but indeterminable cases, require MSWs to grant waiver first and then, involving

Headquarters where appropriate, conduct post-approval investigation: para. 4.10;

iii) select a percentage of cases at random for post-approval checks: para. 4.10;

iv) publicise the arrangements for random checks to deter abuse: paras. 4.9 and 4.10;

v) remind officers of the importance of alerting applicants to the legal consequence of providing knowingly false, inaccurate or incomplete information: para. 4.10;

vi) take firm action against defrauders and publicise such cases: para. 4.10;

(c) Validity Period of Waiver

i) review the validity period of certificates granted to different patient groups: paras. 4.12 and 4.13;

(d) Psychiatric Patients

i) to review the Guidelines to reflect the long-standing practice of giving psychiatric

patients special treatment: paras. 4.14 and 4.17.

Overall, we consider it crucial for the integrity of the waiver system for Hosp A and SWD to instil and sustain a more positive and vigilant attitude among their staff to vetting and approving applications. Only then can the system benefit those genuinely in need.

6

FINAL REMARKS

COMMENTS FROM HOSP A AND SWD

6.1 We have studied the detailed comments from Hosp A and SWD on the draft investigation report and where appropriate, incorporated their views and proposed textual amendments.

6.2 Hosp A and SWD consider that the following factors significantly reduce the risk of abuse of the waiver system:

(a) the high number of applications and the often relatively low monetary value involved (so that it is not worth the time and effort to defraud for waiver);

(b) the persons must first be in need of medical services;

(c) the applicant does not gain any actual monetary reward; and

(d) the involvement of professional MSWs in the assessment process.

As they consider the risk to be small, it is not cost-effective putting more effort

into vetting applications for waiver.

6.3 Hosp A and SWD have also provided the following specific response:

(a) the almost 100% approval rate – because patients who know they are not eligible for waiver do not apply;

(b) non-financial grounds - the rationale for these criteria is to facilitate accessibility to health services (para. 2.8). As the hardship is often unique, the list cannot be exhaustive and MSWs will judge on a case-by-case basis. In any case, waiver granted on these grounds represents only a small percentage (para. 2.14).

In any case, Hosp A and SWD will improve the system continuously. This includes an e-waiver system introduced in March 2004. Since then, waiver certificates can be printed out from computers, instead of hand-written. In June 2005, the e-waiver system was enhanced to capture data on refused cases and the reasons for refusal.

6.4 Hosp A and SWD have generally accepted our recommendations. In particular, the Guidelines are already under revision and post-approval random checks will soon be introduced.

COMMENTS FROM SWD ON CASE

6.5 The first case in Chapter 3 involved SWD officers only. SWD does not agree that there has been any cover-up for mistakes. Any MSW would have approved the waiver regardless of the patient's income in that case. In any event, MSW A has been duly told to improve her work in handling applications for waiver, including proper documentation.

6.6 As regards the threat of disciplinary action, SWD agrees that it was MSW B's right to appeal to outside authority but maintains that an unsubstantiated appeal to external authority may cause embarrassment to the Administration. In any case, SWD considers it a matter of staff management, not administration of the waiver system.

FINAL REMARKS FROM THE OMBUDSMAN

6.7 We consider that Hosp A and SWD may be over-optimistic in believing that those factors in para. 6.2 would actually reduce the risk of abuse. This is their wishful thinking.

6.8 Regarding para. 6.2(a), we are astounded by the casual attitude of Hosp A and SWD as custodians of public funds. They are entrusted with taxpayers' money and have the responsibility to safeguard it from misuse, however small the amount. Besides, the average amount waived by MSWs was $746 per case ($300 million/402,122 cases). Many workers earn less

than that after one day of hard labour[8].

6.9 We do not see the relevance of paras. 6.2(b) and (c) to the risk of abuse. The persons who have been granted waiver do obtain medical care by paying less or not paying at all. In our view, this *is* a form of monetary benefit[9].

6.10 On para. 6.2(d), we do not doubt responsible MSWs will safeguard the system for the benefit of those genuinely in need (para. 5.2). However, it is unfair and unrealistic to expect them individually to safeguard a deficient system. The system must be sound in the first place.

6.11 On the explanation for the approval rate of over 99% (para. 6.3(a)), Hosp A and SWD both rely on the "honour system" by assuming that no fraudulent attempt will be made. We consider that providers of service for the needy and custodians of public funds ought to be more prudent and vigilant. In particular, random checks, supervisory review and post-application investigations should be taken more seriously to detect and deter possible abuse or errors. As regards para. 6.3(b), we will not repeat our observations on the objective of the waiver system (para. 4.14), the inconsistent interpretation of non-financial criteria by MSWs (para. 4.6) and the allegedly small amount involved (para. 6.8).

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[8] Average daily wage of a general worker in public sector construction projects was $572 as at June 2005 (Source: Statistics and Census Department).

[9] Comparing the situation where a person makes off without paying for the bill after he has enjoyed a meal in a restaurant.

6.12 On paras. 6.5 and 6.6, The Ombudsman has the following comments:

(a) we have no intention to investigate personnel matters, which are outside our jurisdiction. The case was reported to highlight a careless mistake, improper documentation, covering justification and unjustified threat of disciplinary action;

(b) whether MSW A or indeed any MSW would have approved the waiver on non-financial grounds is irrelevant. The fact remains that she had by mistake approved the waiver on financial grounds. She was allowed to make up for her oversight by saying that she had in fact approved on non-financial grounds;

(c) if a complaint to an outside authority is substantiated, this should have been taken as a reference for improvement; if unsubstantiated, for clarifying the complainant's misunderstanding. Either way, we do not see why the Administration can be embarrassed.

6.13 We are pleased to learn that Hosp A and SWD have generally accepted our recommendations for improvement and that implementation of some is underway. We will monitor progress of implementation.

6.14 In conclusion, The Ombudsman thanks CE/HA, DSW and staff of Hosp A and SWD for assistance throughout this investigation.

---- End ----

Office of The Ombudsman

Ref. OMB/DI/141

March 2006

Annex 1
(para. 2.15)

醫療費用減免評估表
Assessment Form for Waiving of Medical Charges

(一) Part I 個人資料 PERSONAL PARTICULARS

病人姓名 Name of Patient : ____________________ 性別/年齡 Sex/Age : ____________

出生日期 Date of Birth : ____________ 身份證/出生證明書/旅行證件號碼* HKID/HKBC/Travel Document No.* : ____________

地址 Address : ____

電話 Tel. No. : ____________________ 醫院／診所號碼 Hospital/Clinic Ref. No. : ____________

如病人並非申請人本人，請填寫此部份 If the patient is not the applicant, please complete the following:

姓名 Name of Applicant : ____________ 申請人身份證號碼 Applicant's HKIC No. : ____________

與病人關係 Relationship with patient : ____________

(二) Part II 經濟情況 FINANCIAL CONDITION

1. 病人的家庭人數 Household Size ____________ 人 Person(s)

2. 病人及其家庭成員從就業獲得的每月總入息 MONTHLY INCOME OF ALL HOUSEHOLD MEMBERS FROM EMPLOYMENT

姓名 Name	年齡 Age	與病人關係 Relationship with Patient	僱主姓名 Employer's Name	工作種類 Type of Work	入息 Income	
						總入息 Total

3. 病人及其家庭成員每月的其他收入 MONTHLY INCOME OF ALL HOUSEHOLD MEMBERS FROM OTHER SOURCES

	金額 Amounts($)	
接受親屬／朋友給予的經濟資助 (a) financial contributions from relatives/friends		
退休金 (b) from pension		
租金收入 (c) rental income		
其他 (請說明) (d) from any others (Please specify)		其他總收入 Total

4. 病人及其家庭成員的總資產 CAPITAL ASSETS OF ALL HOUSEHOLD MEMBERS

			價值 Amount	
(a) 現金 Cash				
(b) 銀行儲蓄 Savings in Bank	姓名 Name	戶口號碼 Account No.:	在 As at ________ (日期 Date) 結存 Balance ($) ________	
			在 As at ________ (日期 Date) 結存 Balance ($) ________	
			在 As at ________ (日期 Date) 結存 Balance ($) ________	
			在 As at ________ (日期 Date) 結存 Balance ($) ________	
(c) 股票及股份的投資、有價值的物件、物業及其他易於變換現金的財產等 Investments in stocks, shares and readily realizable assets, etc.				
(d) 非自住樓宇 Real property not occupied by the applicant or any members of the household				
(e) 其他 (請說明) From any others (Please specify)				總價值 Total

(三) Part III 其他家庭狀況 OTHER FAMILY CONDITION

1. 家庭特別支出，如：供樓、欠款等 SPECIAL EXPENSES OF ALL HOUSEHOLD MEMBERS, SUCH AS MORTGAGE LOAN INSTALMENT, DEBT, ETC.)

Special Expense Item 特別支出項目	支出 Expenses

2. 非經濟因素 NON-FINANCIAL FACTORS

Family & Social Consideration 家庭及社會因素

(四) Part IV 聲明及保證 DECLARATION & UNDERTAKING

I, the undersigned, declare that to the best of my knowledge and belief, the information in the above items (which has been read over to me and well understood by me) is true.

I fully understand the purpose and agree to the Hospital Authority/Social Welfare Department* obtaining information from me for the purpose of applying for waiving of medical charges. I understand that I can approach the Hospital Authority/Social Welfare Department* on personal data access and data correction matters.

I undertake to inform the other members of my household and other relevant persons that their personal data have been provided to the Hospital Authority/Social Welfare Department* for the purpose of this application.

If my application for waiving of medical charges is accepted, I undertake to report immediately to the Hospital Authority/Social Welfare Department* any changes in the particulars contained herein within the validity period of this waiver.

I consent to any investigations into the circumstances relating to the application of waiving being carried out by the Hospital Authority. I also consent to such government department, banks and parties providing the requested data and records to the Hospital Authority.

I understand that if I knowingly or willfully make any false statement or withhold any information, or otherwise mislead the Hospital Authority/Social Welfare Department* for the purpose of obtaining waiver of medical charges from the Hospital Authority, it will render me liable to prosecution.

The above statement has been read over to me and well understood by me.

本人（下開簽署人）現聲明就本人所知所信，上述資料（已由有關人員向本人讀出，本人完全明白）是爲真確。

本人完全明白及同意醫院管理局／社會福利署*向本人獲取資料，作爲處理本人醫療費用減免申請的用途。本人明白如本人欲查閱及更改個人資料，可向醫院管理局／社會福利署*提出。

本人保證告知家庭其他成員及有關人士本人就此項申請已將他們的個人資料提供予醫院管理局／社會福利署*。

若本人的醫療費用減免申請獲接納，本人保證在減免期間若申請表格所載的資料有任何更改，會立即通知醫院管理局／社會福利署*。

本人同意醫院管理局就本人的申請進行狀況調查，並同意有關政府部門、銀行及機構向醫院管理局提供所需資料及紀錄。

本人明白如本人故意或蓄意作虛假聲明或隱瞞資料，或誤導醫院管理局／社會福利署*以求獲得醫院管理局減免醫療費用，本人可能會遭受起訴。

有關人員已向本人讀出上述聲明，本人完全明白。

申請人簽名 Signature : ____________________

申請人姓名 Applicant's name : ____________________

日期 Date : ____________________

(五) **Part V 評估 ASSESSMENT**

1. 病人的每月家庭總入息與相同家庭人口的「家庭住戶每月入息中位數」比較 MONTHLY INCOME OF ALL HOUSEHOLD MEMBERS WHEN COMPARED WITH MMDHI OF SAME HOUSEHOLD SIZE

(a) ☐ 不超過百分之五十 Does not exceed 50%

(b) ☐ 百分之五十至百分之七十五 50% - 75%

(c) ☐ 超過百分之七十五 Exceeds 75%

(d) ☐ 不適用 Not applicable

以及 AND

2. 家庭資產值 FAMILY ASSET

(a) ☐ 不超過限額 Within limit

(b) ☐ 超越限額 Exceeds limit

(c) ☐ 不適用 Not applicable

3. 使用公營醫療服務情況 UTILIZATION OF PUBLIC MEDICAL SERVICES

* 不適用於病人每月家庭總收入不超過相同家庭人口的家庭住戶每月入息中位數的 50%，而病人的資產值同時不超過指定上限者 Not applicable to Patient whose monthly household income does not exceed 50% of the MMDHI of same household size and passes the asset limit test

住院日數 Inpatient stay____________________ 日 Days (過去一年 in the past one year)

專科門診次數 SOPD____________________ 次 Attendance (過去一年 in the past one year)

☐ 不適用 Not applicable (i.e. if 1(a) and 2(a) above have been ticked)

(六) Part VI 審核結果 RECOMMENDATION

☐ 予減免 Recommended (減免證明書編號 Waiver Cert. No.: ____________) 理由 Reason: ☐經濟 Financial ☐非經濟 Non-financial	☐ 不予減免 Not recommended 理由 Reason: ____________ ____________ ____________ ☐ 收回申請 Withdraw application

☐ **One off waiver for in-patient services 住院費用獲一次過減免**

For a period of hospitalization from 住院期由 __________ to 至 __________ inclusive 首末兩天包括在內

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士): __________ %

Amount to be paid 須付款額 (for NEP only 只適用於非符合資格人士): $ __________

☐ **Waiver valid for a period for all A&E, SOPD, day hospitals and community services 在下列期間內於所有急症室、專科門診、日間醫院及社康服務獲費用減免**

For a period from 由 __________ to 至 __________ inclusive 首末兩天包括在內

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士): __________ %

☐ **One-off waiver for services at A&E/SOPD/GOPD/Others* 在專科門診／急症室／普通科門診／其他服務* (pl. specify 請註明 ____________) 獲一次過費用減免**

Date 日期 ____________

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士): __________ %

Amount to be paid 須付款額 (for NEP only 只適用於非符合資格人士): $ __________

*Assessed by : ____________ 辦事處 Office : ____________

#簽名 Signature : ____________ 辦事處 Office : ____________

姓名 Name : ____________ 電話 Tel. No. : ____________

職位 Post/Rank: ____________ 日期 Date : ____________

* To be completed by FSC/IFSC where the assessment for waiving of medical charges can be made by social worker at SWA rank or above.

\# This Assessment Form and HA(G)12 issued by FSC/IFSC must be signed by social worker at ASWO rank or above.

☐*請選擇合適項目 Please tick as appropriate*

* *請將不適用者刪去 Delete whichever is inappropriate*

Annex 2
(para. 2.17)

HOSPITAL AUTHORITY 醫院管理局

B 0 1 8 0 0 1

HOSPITAL AUTHORITY,
醫院管理局
CERTIFICATE FOR WAIVER OF MEDICAL CHARGES
醫療費用減免證明書

(for charges not exceeding $7,000 per application 適用於七千元或以下之申請)

To : Chief Executive, Hospital Authority /
Director of Health, Department of Health

(致 : 醫院管理局行政總裁 / 衞生署署長)
(Attn : HA Shroff / DH Shroff)
(請交 : 醫管局收費處 / 衞生署收費處)

Patient Gum Label 病人標籤

Name of Patient 病人姓名: ____________________

HKID/HKBC/Travel Document No.*
身份證/出生證明書/旅行證件號碼* : ____________________

Hospital/Clinic Ref. No. 醫院/診所號碼 : ____________________

This is to certify that the above named patient is having financial hardship and approval of waiver for the following medical charges is hereby given in accordance with the delegated authority under Hospital Authority Financial Delegation Manual 根據醫院管理局財政授權守則的授權，茲證明上述病人因經濟困難獲以下醫療費用減免：

A.* One-off waiver for in-patient services 住院費用獲一次過減免

For a period of hospitalization from 住院期由 ____________ to 至 ____________ inclusive
首末兩天包括在內

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士) : ____________ %

Amount to be paid 須付款額 (for NEP only 只適用於非符合資格人士) : $ ____________

B.* Waiver valid for a period for all A&E, SOPD, day hospitals and community services
在下列期間內於所有急症室、專科門診、日間醫院及社康服務獲費用減免

For a period from 由 ____________ to 至 ____________ inclusive 首末兩天包括在內

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士) : ____________ %

C.* One-off waiver for services at A&E/SOPD/GOPD/Others* 在專科門診／急症室／普通科門診／其他服務*
(please specify 請註明 ____________________) 獲一次過費用減免

Date 日期 ____________________

Percentage to be paid 須支付百分比 (for EP only 只適用於符合資格人士) : ____________ %

Amount to be paid 須付款額 (for NEP only 只適用於非符合資格人士) : $ ____________

OR 或

☐ The patient is a CSSA recipient under CSSA casefile reference no.
病人屬領取綜援人士，綜援檔案編號 ____________________

Signature 簽署	:	____________	Name of Unit 科組	:	____________
Name 姓名	:	____________	Tel. no. 電話	:	____________
Rank 職級	:	____________	Date 日期	:	____________

*Delete whichever is inappropriate(*請將不適用者刪去)*

ORIGINAL – to Patient (正本 - 病人留存)
DUPLICATE – to HA / DH Shroff (副本 - 醫管局 / 衞生署收費處留存)
TRIPLICATE – to be retained as book copy (副本 - 存底)

Note :
SOPD : Specialist Outpatient Department
A&E : Accident and Emergency Department
GOPD : General Outpatient Department
EP : Eligible person
NEP : Non Eligible person

Department Chop
部門印鑑